

November 8, 2007

House Committee on Tourism, Outdoor
Recreation and Natural Resources
C/O Chairman Joel Sheltroun
1387 House Office Building
Lansing, MI 48933

Esteemed Committee Members:

The Michigan Credit Union League and its member credit unions support House Bill 5085 and would like to thank Representative Mayes, the Members of this Committee, the Secretary of State and other interested parties for their involvement in reaching this legislative compromise.

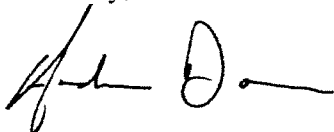
As snowmobiles have risen in price, credit unions and other financial institutions have experienced an increased demand to finance their purchase. However, under Michigan law snowmobiles are not titled making it more difficult for credit unions and other financial institutions to perfect a security interest, potentially leading to a loss on the vehicle.

As an alternative to titling, this secured registration system would allow for lien/secured interest information to be placed directly on a newly designed registration form as prescribed by the Secretary of State. The resulting effect would be that when a snowmobile is sold or re-sold, the Secretary of State would **not** be permitted to re-register the snowmobile in the new owner's name unless the lien had been released or cleared by the lender in a similar fashion as occurs with titles. This provides protection for both the lender and the purchaser.

The Secretary of State has committed to doing this at no additional cost to the individual registering the snowmobile beyond the current registration fee. This new system would be implemented in a time frame consistent with the roll out of the new Secretary of State computer system, likely being available in 2009.

Again, thank you to this committee and to all parties involved for addressing this important issue. The MCUL stands ready to assist in any manner possible.

Sincerely,



Andrew Doerr
Director of Legislative Affairs
Michigan Credit Union League